

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 298 – SB 692

March 16, 2018

SUMMARY OF ORIGINAL BILL: Exempts from gasoline and diesel taxes, methanol sold for use in highway or non-highway vehicles that is not composed of or blended with gasoline, diesel fuel, or other fuels or petroleum products.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015186): Deletes and replaces language of the original bill such that the bill as amended exempts from gasoline, diesel, and sales taxes, methanol sold for use in highway or non-highway vehicles that is not composed of or blended with gasoline, diesel fuel, or other fuels or petroleum products.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the United States Department of Energy, methanol use in vehicles has declined dramatically since the early 1990s, and automakers no longer manufacture methanol vehicles in the U.S.
- There have been no methanol fueling stations in the U.S. since 2000, when three of such stations operated in the country.
- Current state and local tax collections from fuel and sales taxes imposed on methanol sold for use in highway or non-highway vehicles that is not composed of or blended with gasoline, diesel fuel, or other fuels or petroleum products are estimated to be not significant.
- As a result, the proposed exemption will not have a significant impact on current state or local government revenue.
- If the use of such methanol in highway or non-highway vehicles increases in the future, this bill could result in forgone state and local government revenue. However, any such amount of forgone revenue is estimated to be not significant.

HB 298 – SB 692

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/bs